

# RADIO TV REPORTS, INC

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| PROGRAM | CBS Evening News                 | STATION | WDVM-TV<br>CBS Network |
| DATE    | July 14, 1981                    | 7:00 PM | CITY Washington, DC    |
| SUBJECT | CIA Officials Touched by Scandal |         |                        |

DAN RATHER: The breath of scandal blew on the Reagan Administration today. It came from Wall Street and the super-secret CIA complex at Langley, Virginia. The new man in charge of covert spying activities, Max Hugel, quit amid allegations of stock manipulation. And the man to whom he resigned, CIA Director William Casey, himself came under fire in a separate allegation of stock shenanigans. In both cases, the allegations involved activities before their CIA appointments.

Lem Tucker has the story of Hugel's resignation.

LEM TUCKER: In the end it was not Max Hugel's total lack of experience in the world of intelligence gathering which proved to be his downfall at the CIA, it was instead his past in the world of business, where he was experienced. And it was at the hands of two former Wall Street stockbrokers and business partners.

Thomas McNeill and his brother Samuel alleged that during the mid-1970s, Hugel fed them inside information on two companies Hugel was connected with Brother International and Syntronics International. The information was then used by the McNeills to trade the companies' stock before it was divulged to other investors or made public. The Securities and Exchange Commission has often in the past considered such dealings improper and/or illegal.

The McNeills also alleged that Hugel secretly funneled more than \$100,000 into their securities business, thereby financing trading activity in Hugel's own stock. And they alleged that Hugel arranged for this man, Robert Howard, President of Syntronics, to buy stock in Hugel's company, hoping the purchases